



U.S. Department
of Transportation

**Federal Highway
Administration**

Notice

Subject:

**DISTRIBUTION OF FEDERAL-AID HIGHWAY PROGRAM OBLIGATION
LIMITATION FOR THE PERIOD BEGINNING ON OCTOBER 1, 2015,
AND ENDING ON DECEMBER 4, 2015**

Classification Code

Date

Office of Primary Interest

N 4520.239

December 1, 2015 **HCFB-10**

1. **What is the purpose of this Notice?** This Notice is to advise the States of the distribution of the limitation on Federal-aid highway program obligations pursuant to the Continuing Appropriations Act, 2016, Public Law (Pub. L.) 114-53, and the Highway and Transportation Funding Act of 2014 (Extension Act), Pub. L. 113-159, as amended by the Highway and Transportation Funding Act of 2015, Pub. L. 114-21, the Surface Transportation and Veterans Health Care Choice Improvement Act of 2015, Pub. L. 114-41, the Surface Transportation Extension Act of 2015, Pub. L. 114-73, and the Surface Transportation Extension Act of 2015, Part II, Pub. L. 114-87.
2. **Does this Notice cancel FHWA Notice 4520.238?** Yes, this Notice cancels FHWA Notice 4520.238, Distribution of Federal-aid Highway Program Obligation Limitation for the Period Beginning on October 1, 2015, and Ending on November 20, 2015, dated November 6, 2015. The revision to the distribution of obligation limitation is based on the Surface Transportation Extension Act of 2015, Part II, which further extends the authorizations for the Federal-aid highway program through December 4, 2015.
3. **What is the overall limitation on obligations, and what provision determines its distribution?**
 - a. The Continuing Appropriations Act, 2016, covers the period beginning on October 1, 2015, and ending on December 11, 2015. However, the Extension Act amended section 1102 of the Moving Ahead for Progress in the 21st Century Act (MAP-21), Pub. L. 112-141, to specify a limitation on obligations of \$7,134,218,915 for the time period of the extension (October 1, 2015, to December 4, 2015).
 - b. Section 101(a) of the Continuing Appropriations Act, 2016, sets an overall limitation on obligations at an annual rate for operations of \$40,256,000,000 for Fiscal Year (FY) 2016. This annual rate for operations is equal to the obligation limitation made available in FY 2015 under the Department of Transportation Appropriations Act, 2015, title I of division K, Pub. L. 113-235.

- c. Section 101(b) of the Continuing Appropriations Act, 2016, applies a reduction of 0.2108 percent to the annual rate for operations, resulting in a reduction of \$84,859,648 (\$40,256,000,000 times 0.2108 percent). The net annual rate for operations after the reduction is \$40,171,140,352.
 - d. First, the distribution of obligation limitation is calculated on an annualized basis pursuant to section 120 of the Department of Transportation Appropriations Act, 2015, as continued by the Continuing Appropriations Act, 2016, and using the net annual rate for operations of \$40,171,140,352 for FY 2016. The contract authority for the Federal-aid highway programs extended by the Extension Act for the period beginning on October 1, 2015, and ending on December 4, 2015 (65 days), is annualized for purposes of calculating the distribution of obligation limitation.
 - e. The resulting distribution of obligation limitation is then reduced to reflect the current length of the extension (65 days) and the \$7,134,218,915 limitation on obligations for the extension time period by multiplying the distribution by 65/366. Therefore, this Notice provides \$7,134,218,915 (65/366 of \$40,171,140,352) in obligation limitation for the period beginning on October 1, 2015, and ending on December 4, 2015.
 - f. Upon the enactment of a further extension or reauthorization act, the distribution of obligation limitation will be revised and additional obligation limitation provided as determined under the provisions of such law. The distribution of obligation limitation will also be revised based on the enactment of any further continuing appropriations or a full-year appropriations act.
 - g. Unless otherwise specified, all obligation limitation is available for 1 fiscal year and will expire at the end of FY 2016.
4. **What funds are exempt from the limitation on obligations?** The obligation limitation does not apply to obligations for projects covered under:
- (1) section 125 of title 23, United States Code (U.S.C.);
 - (2) section 147 of the Surface Transportation Assistance Act of 1978;
 - (3) section 9 of the Federal-Aid Highway Act of 1981;
 - (4) sections 131(b) and 131(j) of the Surface Transportation Assistance Act of 1982;
 - (5) sections 149(b) and 149(c) of the Surface Transportation and Uniform Relocation Assistance Act of 1987;

- (6) sections 1103 through 1108 of the Intermodal Surface Transportation Efficiency Act of 1991;
- (7) section 157 of title 23, U.S.C., as in effect on the day before the date of enactment of the Transportation Equity Act for the 21st Century;
- (8) section 105 of title 23, U.S.C., as in effect for fiscal years 1998 through 2004, but only in an amount equal to \$639,000,000 for each of those fiscal years;
- (9) the Federal-aid highway programs for which obligation authority was made available under the Transportation Equity Act for the 21st Century or subsequent public laws for multiple years or to remain available until used, but only to the extent that the obligation authority has not lapsed or been used;
- (10) section 105 of title 23, U.S.C., but only in an amount equal to \$639,000,000 for each of fiscal years 2005 through 2012;
- (11) section 1603 of the SAFETEA-LU, to the extent that funds obligated in accordance with that section were not subject to a limitation on obligations at the time at which the funds were initially made available for obligation; and
- (12) section 119 of title 23, U.S.C., but only in an amount equal to \$639,000,000 prior to sequestration for each of fiscal years FY 2013 through FY 2015 and in an amount equal to \$113,483,607 prior to sequestration (\$105,766,722 after sequestration) for the period beginning on October 1, 2015, and ending on December 4, 2015.

5. **How are the obligation limitation amounts associated with allocated programs determined?**

- a. Obligation limitation is provided for administrative expenses and programs authorized under section 104(a) of title 23, U.S.C., and amounts authorized for the Bureau of Transportation Statistics. Pursuant to section 101 of the Continuing Appropriations Act, 2016, the annual rate for operations for limitation on Federal Highway Administration administrative expenses is \$426,100,000, which is reduced by 0.2108 percent to \$425,201,781 (\$75,513,978 for the length of the current extension). The annual rate for operations for limitation to be transferred to the Appalachian Regional Commission for administrative activities is \$3,248,000, which is reduced by 0.2108 percent to \$3,241,153 (\$575,615 for the length of the current extension). For the other programs for which funding is authorized under section 104(a) of title 23, U.S.C., and the Bureau of Transportation Statistics, the annualized amount of obligation

limitation is equal to the annualized contract authority for each such program.

- b. Obligation limitation is provided for the unobligated balances of contract authority for allocated programs (or for the apportioned Tribal Transportation Program and Federal Lands Access Program) that are carried over from previous fiscal years and for which obligation limitation had been provided in a previous fiscal year. The annualized amount of obligation limitation is equal to such unobligated balances of contract authority.
- c. The ratio between the remaining annualized amount of obligation limitation and the remaining annualized FY 2016 contract authority subject to obligation limitation is determined. The ratio calculated for FY 2016 under the Continuing Appropriations Act, 2016, is 94.0 percent.
- d. Obligation limitation is distributed for each of the allocated programs (other than those allocated programs for which obligation limitation has already been provided) and for the Tribal Transportation Program and Federal Lands Access Program. The annualized amount of obligation limitation for each such program is determined by multiplying the annualized amount of contract authority authorized for FY 2016 by the above ratio. The annualized amount of contract authority authorized that is not provided associated obligation limitation is "lopped off," resulting in annualized amounts of contract authority equal to the annualized amounts of obligation limitation available for such programs (except for the Tribal Transportation Program, which is not subject to the "lop off" of contract authority).
- e. The obligation limitation for each of the allocated programs for the period beginning on October 1, 2015, and ending on December 4, 2015, is then determined by multiplying the annualized amount of obligation limitation for each allocated program by 65/366.

6. How is the distribution of formula obligation limitation to the States determined?

- a. After obligation limitation is provided for the allocated programs (and for the Tribal Transportation Program and Federal Lands Access Program) as described above, the remaining annualized amount of obligation limitation is distributed among the States as formula obligation limitation. The formula obligation limitation is distributed among the States in the proportions that the annualized FY 2016 apportionments subject to the obligation limitation for each State bear to the total annualized FY 2016 apportionments subject to the obligation limitation for all States.

- b. The formula obligation limitation available for the period beginning on October 1, 2015, and ending on December 4, 2015, is then determined by multiplying the annualized amount of formula obligation limitation for each State by 65/366.
- c. The attached Table 1 shows the amount of FY 2016 formula obligation limitation distributed to each State for the period beginning on October 1, 2015, and ending on December 4, 2015 (65 days), net of any obligation limitation associated with the penalty funding or set aside under the high risk rural roads special rule (see paragraphs 7 and 8 of this Notice below).

7. Is there any obligation limitation associated with penalty funds?

- a. Yes, obligation limitation is associated with penalty funds for those States that failed to meet the provisions of section 154 of title 23, U.S.C. (Open Container Requirements) or section 164 of title 23, U.S.C. (Minimum Penalties for Repeat Offenders for Driving While Intoxicated or Driving Under the Influence) for FY 2016 as determined by the National Highway Traffic Safety Administration. The annualized amount of obligation limitation associated with the penalty funds is determined by multiplying the annualized amount of the penalty funds by the ratio of a State's annualized formula obligation limitation to that State's annualized apportionments subject to the obligation limitation.
- b. The obligation limitation associated with penalty funds for the period beginning on October 1, 2015, and ending on December 4, 2015, is then determined by multiplying the annualized amount of obligation limitation associated with penalty funds for each State by 65/366.
- c. Along with the penalty funds, the associated obligation limitation will be reserved and then released for use on eligible Highway Safety Improvement Program activities under section 148 of title 23, U.S.C., or transferred to the State's safety program under section 402 of title 23, U.S.C. The amounts of penalty funds and associated obligation limitation for the period beginning on October 1, 2015, and ending on December 4, 2015 (65 days), are shown in Table 2.

8. Is there any obligation limitation set aside under the special rule for high risk rural roads?

- a. Section 148(g)(1) of title 23, U.S.C., contains a special rule for high risk rural road safety. The special rule requires that, if the fatality rate on rural roads in a State increases over the most recent 2-year period for which data are available, the State must obligate during the next fiscal year for

projects on high risk rural roads an amount at least equal to 200 percent of its FY 2009 high risk rural roads set-aside.

- b. The requirement to obligate such amounts during the next fiscal year is implemented by a set-aside of both Highway Safety Improvement Program funds and, on an annualized basis, an equal amount of associated obligation limitation.
- c. The obligation limitation associated with the high risk rural roads special rule for the period beginning on October 1, 2015, and ending on December 4, 2015 (65 days), is then determined by multiplying the annualized amount of obligation limitation associated with the high risk rural roads special rule for each State by 65/366.
- d. The amounts of high risk rural roads special rule funds and associated obligation limitation for the period beginning on October 1, 2015, and ending on December 4, 2015 (65 days), are shown in Table 3.

9. **What other provisions apply that are related to the distribution of obligation limitation?**

- a. Contract authority for transportation research programs under chapter 5 of title 23, U.S.C., or division E of Pub. L. 112-141, as amended, is subject to obligation limitation that remains available for a period of 4 fiscal years. Obligation limitation made available for Transportation Research in future fiscal years will be in addition to amounts made available for FY 2016.
- b. The amounts of contract authority "lopped off" from the allocated programs and the Federal Lands Access Program due to the imposition of the obligation limitation will be redistributed to the States. The redistribution will be provided via a separate notice to be issued no later than 30 days after the distribution of the obligation limitation.
- c. After August 1, 2016, the Secretary will revise the distribution of obligation authority made available if a State does not plan to obligate the amount distributed during FY 2016 and redistribute such amount to those States able to obligate amounts in addition to those previously distributed during FY 2016. Procedures for this process (known as August Redistribution) will be provided via a separate notice to be issued in July.

10. **What action is required?** Division Administrators should ensure that copies of this Notice are provided to the State departments of transportation.

A handwritten signature in blue ink, appearing to read "Gregory G. Nadeau", written in a cursive style.

Gregory G. Nadeau
Administrator

Attachments

U. S. DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION

OBLIGATION LIMITATION DISTRIBUTION FOR THE PERIOD BEGINNING
ON OCTOBER 1, 2015, AND ENDING ON DECEMBER 4, 2015, UNDER THE
HIGHWAY AND TRANSPORTATION FUNDING ACT OF 2014, AS AMENDED,
AND THE CONTINUING APPROPRIATIONS ACT, 2016

STATE	Formula Obligation Limitation
ALABAMA	120,142,681
ALASKA	75,775,571
ARIZONA	115,269,003
ARKANSAS	80,114,355
CALIFORNIA	570,788,401
COLORADO	82,971,466
CONNECTICUT	77,694,743
DELAWARE	26,236,170
DISTRICT OF COLUMBIA	25,293,965
FLORIDA	300,026,874
GEORGIA	203,506,781
HAWAII	25,635,897
IDAHO	45,320,656
ILLINOIS	225,444,855
INDIANA	147,000,651
IOWA	77,837,862
KANSAS	59,855,474
KENTUCKY	105,227,880
LOUISIANA	106,009,682
MAINE	28,612,647
MARYLAND	95,310,708
MASSACHUSETTS	95,956,772
MICHIGAN	166,923,929
MINNESOTA	101,033,003
MISSISSIPPI	74,836,833
MISSOURI	146,508,965
MONTANA	63,526,441
NEBRASKA	45,791,260
NEVADA	57,589,715
NEW HAMPSHIRE	26,190,813
NEW JERSEY	157,814,718
NEW MEXICO	56,845,025
NEW YORK	266,341,062
NORTH CAROLINA	165,270,805
NORTH DAKOTA	38,453,896
OHIO	203,292,637
OKLAHOMA	100,438,821
OREGON	77,407,398
PENNSYLVANIA	260,083,118
RHODE ISLAND	33,884,465
SOUTH CAROLINA	106,050,290
SOUTH DAKOTA	43,412,306
TENNESSEE	130,888,703
TEXAS	546,989,123
UTAH	55,016,703
VERMONT	31,462,712
VIRGINIA	157,703,859
WASHINGTON	107,446,686
WEST VIRGINIA	69,227,793
WISCONSIN	119,205,590
WYOMING	38,762,106
SUBTOTAL	6,138,431,869
Allocated Programs	925,976,890
Sections 154 and 164 Penalties	65,648,498
High Risk Rural Roads Special Rule	4,161,658
TOTAL	7,134,218,915

U. S. DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION

PENALTY FUNDS AND ASSOCIATED OBLIGATION LIMITATION FOR THE PERIOD
BEGINNING ON OCTOBER 1, 2015, AND ENDING ON DECEMBER 4, 2015, FOR PENALTY
PROVISIONS UNDER SECTIONS 154 AND 164 OF TITLE 23, UNITED STATES CODE

STATE	TOTAL SECTIONS 154 & 164 PENALTY FUNDS	OBLIGATION LIMITATION FOR PENALTIES
ALABAMA	0	0
ALASKA	3,751,404	3,528,572
ARIZONA	0	0
ARKANSAS	2,005,696	1,886,558
CALIFORNIA	12,512,563	11,769,324
COLORADO	1,935,435	1,820,471
CONNECTICUT	1,800,692	1,693,732
DELAWARE	618,911	582,148
DISTRICT OF COLUMBIA	0	0
FLORIDA	0	0
GEORGIA	0	0
HAWAII	1,248,642	1,174,473
IDAHO	0	0
ILLINOIS	0	0
INDIANA	3,582,096	3,369,321
IOWA	0	0
KANSAS	0	0
KENTUCKY	0	0
LOUISIANA	5,465,360	5,140,722
MAINE	685,813	645,076
MARYLAND	0	0
MASSACHUSETTS	0	0
MICHIGAN	0	0
MINNESOTA	2,447,506	2,302,125
MISSISSIPPI	1,874,392	1,763,055
MISSOURI	3,654,801	3,437,707
MONTANA	1,566,546	1,473,494
NEBRASKA	0	0
NEVADA	0	0
NEW HAMPSHIRE	0	0
NEW JERSEY	0	0
NEW MEXICO	1,409,994	1,326,240
NEW YORK	0	0
NORTH CAROLINA	0	0
NORTH DAKOTA	939,304	883,510
OHIO	9,801,200	9,219,015
OKLAHOMA	0	0
OREGON	1,897,457	1,784,748
PENNSYLVANIA	0	0
RHODE ISLAND	821,119	772,345
SOUTH CAROLINA	0	0
SOUTH DAKOTA	1,066,227	1,002,894
TENNESSEE	3,195,670	3,005,849
TEXAS	0	0
UTAH	0	0
VERMONT	751,580	706,936
VIRGINIA	3,798,709	3,573,068
WASHINGTON	0	0
WEST VIRGINIA	0	0
WISCONSIN	0	0
WYOMING	1,943,318	1,827,886
SUBTOTAL	68,774,435	64,689,269
Puerto Rico	1,020,456	959,229
TOTAL	69,794,891	65,648,498

NOTE: Puerto Rico Highway Program is an allocated program and is not treated as an apportionment to the States.

U. S. DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION

HIGH RISK RURAL ROADS (HRRR) SPECIAL RULE FUNDS AND ASSOCIATED
OBLIGATION LIMITATION FOR THE PERIOD BEGINNING ON OCTOBER 1, 2015, AND ENDING
ON DECEMBER 4, 2015, PURSUANT TO SECTION 148(g)(1) OF TITLE 23, UNITED STATES CODE

STATE	TOTAL HRRR SPECIAL RULE FUNDS	OBLIGATION LIMITATION FOR HRRR SPECIAL RULE
ALABAMA	0	0
ALASKA	159,836	159,836
ARIZONA	727,026	727,026
ARKANSAS	0	0
CALIFORNIA	0	0
COLORADO	0	0
CONNECTICUT	266,907	266,907
DELAWARE	0	0
DISTRICT OF COLUMBIA	0	0
FLORIDA	0	0
GEORGIA	1,118,755	1,118,755
HAWAII	0	0
IDAHO	0	0
ILLINOIS	0	0
INDIANA	623,945	623,945
IOWA	0	0
KANSAS	0	0
KENTUCKY	0	0
LOUISIANA	0	0
MAINE	0	0
MARYLAND	0	0
MASSACHUSETTS	403,795	403,795
MICHIGAN	0	0
MINNESOTA	0	0
MISSISSIPPI	0	0
MISSOURI	0	0
MONTANA	0	0
NEBRASKA	0	0
NEVADA	0	0
NEW HAMPSHIRE	0	0
NEW JERSEY	591,964	591,964
NEW MEXICO	0	0
NEW YORK	0	0
NORTH CAROLINA	0	0
NORTH DAKOTA	0	0
OHIO	0	0
OKLAHOMA	0	0
OREGON	0	0
PENNSYLVANIA	0	0
RHODE ISLAND	0	0
SOUTH CAROLINA	0	0
SOUTH DAKOTA	269,430	269,430
TENNESSEE	0	0
TEXAS	0	0
UTAH	0	0
VERMONT	0	0
VIRGINIA	0	0
WASHINGTON	0	0
WEST VIRGINIA	0	0
WISCONSIN	0	0
WYOMING	0	0
TOTAL	4,161,658	4,161,658